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EVOLUTION OF INDIAN CORPORATE GOVERNANCE WITH SPECIAL REFERENCE TO FINANCIAL AND REAL ESTATE SECTOR

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Abstract

This research paper explores India's corporate governance framework, focusing on the financial and real estate sectors. It highlights the influence of legislative reforms, regulatory bodies, and sector-specific guidelines. The financial sector has seen improvements in transparency, risk management, and stakeholder protection, while the real estate sector has seen regulatory overhauls. The paper also discusses challenges like regulatory arbitrage and enforcement gaps. It proposes strategic recommendations for strengthening governance frameworks.

the evolution of corporate governance was on of the most dynamic and landmarked journey which was divided in many phases and has outlined the present nation's corporate governance this paper will outline the development of corporate governance practices with specific emphasis on real estate and financial sector in India this research also examines the historic development of the concept and urge of the development of concept with coming changes with Indian dynamic development corporates.

Key words - *Corporate governance, evolution,*

Introduction

Corporate governance is a foundation for ensuring long-term economic stability and consolidating investor confidence. In India, its development has been heavily influenced by the wave of economic liberalization from the early 1990s, which highlighted the need for strong institutional mechanisms centered on transparency, accountability, and ethical behavior. India has, over the years, introduced a string of legislative, regulatory, and policy-based reforms to enhance its corporate governance framework. The real estate and financial sectors have been leading these reforms because of their pivotal role in the national economy and their vulnerability to systemic weaknesses. The critical regulatory bodies like Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) have contributed significantly to upgrading governance norms, especially in matters like risk aversion and oversight by the boards. Furthermore, the Real Estate (Regulation and Development) Act, 2016 (RERA) was a path-breaking initiative toward increasing transparency, accountability, and consumer protection within the real estate sector. Despite all these positive moves, ongoing issues like poor regulation enforcement, business scandals, interest conflicts, and governance failures continue to be troublesome emphasizing the urgent necessity for on-going and sweeping reform.

Pre Policy of Liberalization, Privatization, and Globalization (LPG)

In India, the idea of good governance can be traced back to the third century B.C., when

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Chanakya[1034] laid down the four essential obligations of a ruler **Palana** (administration), **Raksha** (protection), **Vridhi** (growth), and **Yogakshema** (welfare). These principles served as the earliest framework for ethical and effective governance in the Indian context.

The **Managing Agency System**, which started in **1850**, marked as when it was conserved an important concept corporate governance during colonial times. This system was divided by two major governance mechanisms: one, a formal structure based on managing agency contracts; and two, a macro-economic environment that provide power to the these agents to exercise substantial control over the 'managed' companies. These agency contracts empowers the managing agents to dominate corporate operations with minimal accountability.

In **1956**, following India's independence, several revolutionary reforms were introduced to curb the misuse and excessive powers of managing agents, as the problem of corruption . The Government of India implemented corrective measures through the **Companies Act of 1956**, which significantly diminished the relevance of the managing agency system. As a result, a new form of ownership and control **the Promoter System** began to take shape. This new system marked a transition from colonial-era practices to more indigenous corporate structures led by Indian industrialists.

The **1980s** witness a wave of global economic liberalization led by countries like the **United States under President Reagan** and the **United Kingdom under Prime Minister Margaret Thatcher**. These countries introduced the world with aggressive liberalization policies that had a great impact on global economic trends and laid the steppingstone for structural reforms in many developing nations such as India.

India faced a major **fiscal crisis in 1991**, which created apressure on the government to seek assistance from the **International Monetary Fund (IMF)**. This crisis led to a rapid rise in debt and a sharp which further resulted in fall in the value of assets and stock markets. India embarked on a comprehensive **liberalization programme** which would result in stabilizing the economy. This phenomenon lead Indian economic history also underscore the need for improved corporate governance practices.

In 1990s the foundations of modern corporate governance were being laid in the **United Kingdom** through the observations of the **Cadbury Committee**. The **Cadbury Report** [1035] became a landmark document that provided a universal code for corporate governance. Its impact extended globally, leading to similar reforms in the United States, the World Bank, and the European Union.
Even with these worldwide developments, Indian corporate governance was underdeveloped during the early 1990s. Governance arrangements of Indian firms were plagued by weak stock market practices, poor disclosures, fiduciary-free boards, and overall lack of transparency. Indian companies did not have corporate governance as a key issue of concern until then.
The July 1997 Asian Financial Crisis was yet another wake-up call. Not only did the crisis impact the economies of several Asian countries but also emphasized the vulnerability of financial systems that had weak governance mechanisms in place. In India, the crisis strengthened the awareness of the requirement of stronger corporate governance mechanisms to protect financial and economic stability.

Role of Indian Policy of Liberalization, Privatization, and Globalization (LPG) on Corporate Governance

Until the early 1990s, corporate governance was not an area of priority for the majority of Indian corporations. The phenomenon started to attain significance only when India started the process of economic liberalization and opened up the economy to foreign markets. This was followed

[1034] angarajan, L. N. (2003). *Kautilya: The Arrthashastra*. Penguin Books India.

[1035] Cadbu.ry Committee Report. (1992). *Report of the Committee on the Financial Aspects ,of Corporate Governance*. London Stock Exchange.

during 1991 economic crisis when the government of India approached the International Monetary Fund for assistance. Among the IMF-recommended reforms, India pledged to undertake economic stabilization through structural reforms such as liberalization of industry and trade.

One significant move towards this process of reform was the government's initiative to modernize and update the legal structure surrounding corporate bodies. In 1999, a major amendment of the Companies Act, 1956 was done, signaling the start of a series of legislation reforms to enhance corporate governance. The reforms were carried over in the early 2000s, with further amendments in 2000, 2002, and 2003.

A number of significant reforms were introduced during this time to increase transparency, enhance accountability, and safeguard the rights of investors especially minority shareholders. For example, provisions were introduced to permit postal balloting on key company decisions, facilitating greater shareholder involvement. The function of the Securities and Exchange Board of India (SEBI) was also increased, giving it greater powers to file legal proceedings against companies and individuals engaged in corporate malpractices.

Other reforms implemented at this time were aimed at enhancing board accountability. These included limiting the number of directorships one person could hold, raising sanctions against directors who defaulted on their responsibilities either knowingly or negligently, and requiring improved disclosure and reporting requirements. One such significant provision was that companies with a paid-up capital of ₹5 crore or above were required to have a 'small shareholders' representative on the board. This made sure that retail investors' interests were also taken into account in top-level corporate decisions (Regional Training Institute, Allahabad).

Together, these reforms formed the basis for a more transparent and organized corporate governance system in India. They marked a change from promoter-centric boardrooms towards more inclusive and responsible corporate management . The liberalization era thus not only transformed India's economic landscape but also ushered in a new era of governance that aligned with global expectations and investor demands.

LPG has also brought significant implications to governance in India. More efficiency and upgradation of underprivileged upliftment are possible, owing to advancements in technology, with the liberalization of administrative affairs and bringing about more transparency. Monitoring over upliftment, including the upliftment of underprivileged by governments as well as non-government agencies, is one factor; additionally, incentives over the reformations have been issued for the inside organizations. Liberalization, privatization, and globalization have dramatically altered the linkage between the functional areas of government and other bureaucracy, judiciary, and legislature control. Modernization has supported increasing the flow of goods and services more efficiently. Liberalism refers to actions undertaken to limit and sustain reduction in government control in the economy, relaxing limitations on various subjects. The expansion of international trade has triggered extensive upgradation in business regulations.

Privatization is a process in which change of public ownership to private ownership, denationalization, and privatization. Deregulation allows the private sector to enter the reserved public sector which were in the hands of government alone , while privatization moves publicly owned authority to private ownership based on initials. So there is slightly difference in both concepts This transfer of public to private ownership allows the private sector to enter the reserved public sector.

Globalization is the activity of working in the relatively international market and opening businesses in other countries. It is the global expansion of the economy, affecting the functioning of international business and services. The main aim of globalization is to work in other countries and spread its markets for the best possible growth in international industries.

Appearance of the "free market economy" has brought phenomenal changes in administration. GDP increased but the financial markets were operating with an imbalance. LPG created mixed results on the economy of the entire country where the financial markets minimized the extent due to conversion from public sector to private and could not maintain importance and prestige.

Indian markets' opening up to the larger world economy has had a fundamental influence on the character of Indian businesses, their competitive conduct, regulatory norms, and corporate practice. Such outside exposure has made a cumulative but successful transformation of corporate governance practice in India toward greater compliance with international standards of best practice.

Globalization has been a catalyst for upgrading governance structures in India, compelling business houses to adopt international standards and ethical practices. For firms that are listed on the stock exchanges, strict adherence to governance norms has become inevitable. The transformation has promoted the use of best practices in critical areas such as financial reporting, board structure, stakeholder engagement, and protection of shareholder rights.

The adoption of International Financial Reporting Standards (IFRS) is one such example that has enhanced the quality as well as comparability of financial reports. It has enabled Indian companies to offer more transparent and universally understandable financial data, which has enabled them to become attractive to overseas investors and competitive globally.

Apart from that, globalization also intensified the need for responsibility and openness in business practices. In response, Indian companies have turned more proactive in ensuring that their governance structures support ethical behavior and long-term stakeholder trust. The role of the independent director has increased significantly in this context. Having them present on the boards of companies acts to introduce an impartial perspective, particularly in safeguarding the interests of minority shareholders and improving boardroom decision-making.

Although this progress has been achieved, there are still several hurdles. Cultural differences, scarce resources, and complex regulatory frameworks continue to impede the full implementation of global governance standards. However, as the Indian economy becomes more integrated into the global economy, the importance of robust and transparent corporate governance will only grow. Indian companies must continue refining their governance strategies to remain competitive, credible, and resilient in an ever-evolving global business environment.

1991 prompted the Indian government to adopting certain measures for the stabilization of the economy through the process of liberalization.

This crisis led to sharp rise in debts and which in effect decrease in the value of the prices of the assets and the stock markets. The countries of the Asian subcontinent were then made to think for a sorted and a strengthen corporate governance structure. Corporate Governance could not find a place until the 1990s in the objective of the any of the Companies of India. The system in India required improvement in areas such as practices of the stock market, practices related to disclosure, board of directors which did not have responsibilities which are fiduciary in nature, absence of transparency.

The economy of the country was then opened and the process of liberalization of the economy began in the early years of the 1990s era. Some necessary Amendments were made in the Companies Act of 1956 in the year 1999 in the process of liberalization. Later amendments were further made in 2002, 2000 and 2003. Many drastic changes related to corporate governance came in the era of 1990s. Because of these drastic changes taken by the Government, and because of the recommendations of the report of the Cadbury Committee in India. Certain developments took place which were: Few Committees were made by CII, SEBI and Associated Chambers of Commerce and Industry to make recommendations for corporate governance. In the year 1996, first initiative was taken on corporate governance by CII. Its object was to formulate a corporate governance code which could be adopted by the companies and financial entities in India. The CII then released a code called as Desirable Corporate Governance. Kumar Mangalam Committee was constituted by SEBI. The committee gave certain recommendations. The recommendations made by the company resulted in the addition in the listing agreement of Clause 49. Compliance of clause 49 was made mandatory for listed companies. Guidelines made by the Commission was such that the corporation's annual report should have a separate section on corporate governance. The section must contain steps or methods which have been taken for complying with the committee's guidelines and this section will mention about the initiatives taken by the corporation for the enforcement of corporate governance. The important three aspects of corporate governance which are equity, transparency, accountability were given recognition by the committee.

In the year 2000, a group was appointed by DCA (Department of Corporate Affairs) which was headed by the then secretary of DCA. The group was appointed to suggest ways for accomplishing corporate governance. A task force was established by the group. The suggestions that were made by the group was that an independent center needs to be set up for corporate excellence. The focus of the independent center has to be to promote training, research, education in the domain of corporate governance and to create improvement in corporate governance. In the year 2002, a committee was also created by DCA (Department of Corporate Affairs) which was the Naresh Chandra Committee. The committee was formed with an object to appraise the different issues in corporate governance and also to put forward any amendments in corporation – auditor relationship, process for ascertainment or calculation of the audit fees, process of the certification of financial accounts and statements, responsibilities and functions of independent directors, whether if any restrictions are needed on non-audit fees, also on the establishment of an autonomous regulator.

Many important suggestions were given by the committee for amendments in the Companies Act. The Department of Company Affairs also appointed a committee which was an advisory committee whose function was to advise on the method of investigation of any kind of malpractices in the companies or the corporates, also giving suggestions on the process to impose penalties and liabilities. Another committee was made by SEBI with the purpose to keep an eye on measures in respect of the companies which are disappearing and corrupted who in an immoral way used the money which was generated from the Public. The committee decided to establish seven organizations in different cities such as Delhi, Bangalore, Kolkata, Hyderabad Chennai etc

Post Liberalization, Privatization, and Globalization (LPG)

India's journey towards establishing a robust corporate governance framework commenced in 1998 with the Confederation of Indian Industry also known as (CII) releasing the first optional code of governance for listed companies. Known as the CII Code of Desirable Corporate

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Governance[1036], this pioneering initiative emphasized transparency and accountability in corporate disclosures. Key recommendations included the mandatory reporting of vital information, the constitution of audit committees, optional consolidation of financial accounts, and the inclusion of value addition statements by companies. Although voluntary in nature, the CII Code laid the foundation for future statutory reforms.

The SEBItook a major step in 1999 by establishing the Kumar Mangalam Birla Committee [1037]to create a national framework for corporate governance. The committee's report resulted in the introduction of Clause 49 to the listing agreement in 2000, marking a shift from voluntary codes to mandatory compliance. Recommendations included the constitution of independent audit committees, mandatory consolidation of subsidiaries' financial statements where the shareholding exceeded 51%, and increased shareholder engagement in director and auditor appointments. SEBI adopted Clause 49 through circular SMDRP,/Policy/Cir-10/.2000 on 21 February 2000, laying out comprehensive norms regarding the composition of the board, the structure of audit committees, remuneration disclosures, board procedures, and corporate governance reports.

Parallelly, the Companies (Amendment) Act, 2000 introduced several provisions that aligned statutory company law with evolving governance expectations. This legislation required companies to include directors' responsibility statements, imposed limitations on the number of directorships held, enabled the inclusion of small shareholder representatives on boards, mandated the formation of audit committees, and prescribed stringent penalties for regulatory violations. These amendments strengthened internal accountability and transparency mechanisms within corporations.

For taking the standards of governance a step higher than private sector companies RBI formed an advisory committee in 2000, with Dr. R.H. Patil as its chairman, which made its recommendations in March 2001. The report was particularly focused on public sector banks and business, suggesting explicit definition of board functions, boards professionalization, independent directors who are appointed by independent committees, and periodic board evaluation. It recommended better bank internal control systems, limited director memberships to boards on which they served, required audit committees with independent representation among members, and greater senior management and incentive practice transparency.

In 2002, the Government constituted the Naresh Chandra Committee [1038] to examine and work on the auditor-client relationship and the independence of directors which would help to achive the tranperancy and proper auditing which will reduce the risk of frauds and mismanagement . Among its various recommendations the rotation of audit partners instead of audit firms, restricting auditors from undertaking non-audit assignments for the same client, and mandating audit committees comprising solely independent directors was one of them . The committee also proposed that boards consist of at least 50% independent directors, thereby underscoring the importance of director independence in enhancing corporate accountability.

To further strengthen the corporate governance regime, SEBI appointed a committee under the leadership of N.R. Narayana Murth[1039]y in 2002. The committee furnish its report in February 2003 and emphasized two categories of recommendations mandatory and non-mandatory. Mandatory provisions focused on the enhanced roles of audit committees,

1036

1037 SEBI. (2000). *Report of the Kumarr Mangalam Birla Committee on Corrporate Governance.*

1038 Naresh Chandra Committee R.eport. (2002). *Report of the Committee on Corporate Auddit and Governance.* Ministry of C.orporate Affair

1039 SEBI. (2003). *Report the Narayan Murthy Committee on Corporate Governance.*

improved disclosures for related party transactions and IPO proceeds, risk management disclosures, and clearly defined codes of conduct. Non-mandatory suggestions included peer evaluation of non-executive directors and ongoing training for board members.

Following these developments, the Companies (Amendment) Bill 2003 was introduced in Parliament on 7 May 2003. This Bill proposed extensive amendments to 174 sections of the Companies Act. Major highlights included formalizing accounting standards, requiring segment reporting and consolidated accounts, codifying the role and liabilities of independent directors, restricting auditors from offering non-audit services, mandating special audits, capping directorships, setting retirement ages for directors, and defining board meeting protocols. However, due to criticism from industry and stakeholders citing practical anomalies, the Bill was withdrawn for further revision by the Department of Company Affairs.

Despite this setback, SEBI remained committed to empower the governance. In August 2003, it issued a circular mandating the adoption of a revised Clause 49 for all the listed companies . However, due to controversy over its provisions, the implementation was put on hault . SEBI later issued a comprehensive new version of Clause 49 on 29 October 2004, through circular SEBI/CFD/DIL,/CG/1/2004/12/10. This replaced all previous iterations and signaled SEBI's ongoing efforts to align and strenght the India's corporate governance framework with global best practices.
Around the world the same time during 2003, the Naresh Chandra Committee also issued a second report dealing majorly with legal protection for non-executive and independent directors. The prime recommendation highlighted the empowing and immunizing these directors from civil as well as criminal liability in the event of no wrongdoing proven, acknowledging their non-executive role and safeguarding them against excessive legal exposure.

In 2004,the Ministry constituted the JJ Irani Committee in December 2004. Chaired by Dr. J.J. Irani, the committee [1040]was tasked with reviewing feedback on the Concept Paper and recommending a simplified, modern company law. Submitted in May 2005, the committee's report emphasized the need for flexibility in governance structures, tiered regulatory frameworks based on company size, and clear devision of the roles and responsibilities of board members, particularly independent directors.

By 2012, SEBI released a consultative paper aimed at reviewing corporate governance norms. This document proposed overarching principles to elevate governance standards and sought public debate on compliance costs and the balance between regulation and business flexibility. It emphasized adopting global best practices without burdening companies excessively, especially in terms of compliance costs for listing.

That same year, the National Stock Exchange (NSE) launched the Centre for Excellence in Corporate Governance (CECG). [1041]This initiative aimed to encourage the adoption of exemplary governance practices among Indian corporates. The Centre regularly hosts expert panels and publishes a "Quarterly Briefing" analysing critical governance issues. It served as a platform for academic, regulatory, and industry dialogue on improving governance standards in practice.

The most transformative development occurred in 2013 with the passage of the Companies Act, 2013—comprehensively replacing the Companies Act of 1956[1042]. This landmark legislation introduced several provisions directly linked to corporate governance. For the first time, the Act mandated the formation of Stakeholders Relationship Committees for companies with large shareholder bases. It also requested independent auditors to validate

[1040] Ministry of Corporate Affairs. *Report of the Expert Committee on Company Law (J.J. Irani. Committee Report)*, 2005.
[1041] *Centre for Excellence in Corporate Governance (CECG)*. NSE India, 2003
[1042] Commpanies Act, 1956 (as amended in 1999, 2000, 2002, 2003,2013).

accounting treatment under any scheme of compromise or arrangement. Assets needed to be valued by registered valuers of specified qualifications, in order to ensure transparency and consistency.

The Act provided that there must to have one woman director on the board of certain classes of companies. The Act further provided that one-third of directors must be independent directors, and a clear definition of independence has been included in Section 149(5). Another prominent reform was the imposition of mandatory Corporate Social Responsibility (CSR) spending. Companies exceeding set financial parameters were required to spend at least two percent of their previous three years' average net earnings on CSR activities. The Serious Fraud Investigation Office (SFIO) was also provided with statutory status with investigation reports being treated as police reports and arrest provisions in grave fraud cases.

A radical innovation was the inclusion in Section 245 of provision for class action suits. It made it possible for groups of depositors or members to recover legal remedy against companies, auditors, or advisors for loss or mismanagement. This gave shareholders collective legal rights and increased corporate responsibility.

SEBI harmonized Clause 49 of the Listing Agreement with the Companies Act, 2013 in 2014.

Revised Clause 49 was grounded in several corporate governance requirements as a part of listing rules of listed companies. It dealt with minimum requirements for the inclusion of a woman director on a minimum scale and the non-executive directors must constitute a majority of half constitution of the board of directors. Tenure of independent directors was limited to two successive five-year terms, with each reappointment necessitating a special resolution. Formal appointment letters were also to be sent by companies to independent directors and their performance evaluated annually.

Other requirements included independent directors meeting and training in separate sessions, succession planning by senior management, and a mandatory whistleblower mechanism that would be accessible to the chairperson of the Committee. The provision additionally mandated companies to establish a Nomination and Remuneration Committee and report remuneration policy and evaluation parameters in their annual reports. More stringent regulations for related party transactions came into force, expanding the scope to include relatives of directors and KMPs, fellow subsidiaries, and joint ventures. shareholder approval, and formal policies for conducting such transactions had to be put in place by companies For any firm to thrive sustainably, it is crucial to do business with integrity, be transparent, and be accountable for one's actions.

Firms also need to be autonomous in making decisions and be responsible to all the stakeholders. Unless there is a robust governance mechanism, organizations will be in danger of facing serious consequences ranging from financial volatility and legal problems to harm to their reputation. Strong corporate governance not only enhances discipline within, but also builds confidence among investors and helps financial markets as a whole to become credible. Conversely, poor governance can restrict a firm's potential for growth and provide avenues for mismanagement, unethical behavior, and even fraudulent financial reporting.Here is a table which summarizes the evolution of corporate governance

Year of establish	Name of committee	Establish by	Outcome
1995	**Rahul Bajaj**	the Confederation	Aim To develop an optional framework for corporate governance

	Committee	of Indian Industry (CII)	. Which resulted that , In 1998, the committee introduced the 'Desirable Corporate Governance' code, setting the substructure for future governance reforms in India.
1999	**Kumar Mangalam Birla Committee**	Securities and Exchange Board of India (SEBI)	aim was to suggest enhancement in corporate governance for listed companies, aiming on protecting investor interests and enhancing transparency. Which led to the introduction of Clause 49 in the Listing Agreement in 2000, establishing mandatory governance norms for listed companies
2002	**Naresh Chandra Committee**	the Department of Company Affairs (DCA)	aim was to examine corporate audit and governance issues, including auditor-company relationships and the functions of independent directors. Which resulted in reforms in auditing practices and the instituting of the Serious Fraud Investigation Office (SFIO) in 2003 to investigate corporate fraud
2003	**N.R. Narayana Murthy Committee**	Securities and Exchange Board of India (SEBI)	One of the main aim was to review existing clause 49 at that time . Which lead to led to amendments in Clause 49 of the Listing Agreement in 2004,
2004	**Dr. J.J. Irani Committee on Company Law**	Ministry of Corporate Affairs	on revising the Companies Act, 1956, resulted in influenced the drafting of the Companies Act, 2013
2009	**Task Force for Corporate**	THE Confederation of Indian	Aim to enhancing corporate governance standards.

	Governance	Industry (CII)	Resulted in The task force's recommendations provided a framework for companies to voluntarily improve their governance practices.
2012	**Adi Godrej Committee**	the Ministry of Corporate Affairs	Aim to draft a policy document on corporate governance, Resulted in articulated 17 guiding principles of corporate governance, influencing policy formulations
2017	**UdayKotak Committee**	Securities and Exchange Board of India (SEBI)	Aimed to enhance standards of CG of listed companies in India, focusing on issues like the independence of directors and transparency. **Resulted in** , leading to several reforms in SEBI's regulations to enhance corporate governance standard

The Real Estate (Regulation and Development) Act, 2016 (RERA) is a landmark measure to enhance corporate governance in the Indian real estate industry. It requires transparency, accountability, and timely completion of projects, which will build trust between developers and consumers. The Act also provides for a systematic grievance redressal mechanism to facilitate effective enforcement.

Promoters are not allowed to advertise, market, or sell any real estate project without registering it with the RERA. Section 4 asks for full details on the project by promoters when making a registration request, e.g., ownership legal rights, sanctions, timeline in project schedule, and money facts. Section 7 allows for registration to be revoked where it has come to light that a promoter has transgressed any provisions under the Act or played some deceptive play. Section 11 specifies the statutory obligations of promoters, such as keeping 70% of money received from allottees in a separate escrow account to avoid diversion of funds and ensure timely project consolidation. Section 18 requires compensation to homebuyers in the event of delayed possession or failure of the promoter to deliver as assured. Section 19 imposes certain responsibilities on allottees, promoting mutual responsibility and ethical involvement between buyers and developers.

The RERA also makes project approval more transparent by insisting on full-fledged project registration and disclosure norms. Section 4 necessitates the filing of detailed project details, Section 3 necessitates registration with the RERA prior to marketing or selling a project, and Section 18 gives allottees refund or compensation in case the builder does not provide possession within the stipulated time or changes assured project details. Yet, India's property sector has challenges and opportunities such as informal practices, untransparency, and regulatory hurdles. To overcome them, the authorities ought to make registration of properties and brokers more attractive, offer simple-to-use online tools to authenticate property ownership, and persuade banks and other financial institutions to collaborate with projects according to RERA regulations.

The SEBI is instrumental in enforcing sound corporate governance practices among Indian financial intermediaries, indispensable for economic health and public faith. RBI, SEBI, and the Finance Ministry have implemented sweeping reforms for redressing the governance lapses, including IL&FS debt crisis, fraud in Punjab and Maharashtra Co-operative Bank, and collapse of Yes Bank. The Insolvency and Bankruptcy Code (IBC) and other laws have been enacted to increase transparency, accountability, and sound risk management. The LODR regulations center on who serves on a company's board of directors, with rules mandating that at least half of the board members must be independent. Other rules, like the Prohibition of Insider Trading and the Issue of Capital and Disclosure Requirements, also ensure ethical behavior and financial integrity. The Indian financial sector can improve its credibility, stability, and contribution to long-term economic growth. Opportunities and challenges for improvement are enhancing regulatory efficiency, increasing transparency, and using technology to strengthen financial sector governance.

Conclusion

Indian corporate governance has grown from loosely managed structures to more organized and transparent surroundings, under the strong impacts of liberalization policies of the early 1990s. Important regulatory bodies such as SEBI, RBI, and the Ministry of Corporate Affairs have accelerated betterment of governance standards, especially in sectors such as finance and real estate. Reforms have centered around financial integrity, effectiveness of the board, compliance with regulators, and investor interest. The Real Estate (Regulation and Development) Act, 2016 has been a factor in increased levels of regulation enforcement and accountability. The corporate governance system, however, is still suffering from systemic flaws such as irregular regulation enforcement, weak board independence, inadequate representation of important stakeholders, and promoter-driven governance models. For closing these loopholes, increased enforcement and a changed mindset towards ethical business practices and open operations are required.

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